

III. Findings and Recommendations

1.	<p><u>Policies and Procedures (RSM McGladrey)</u></p> <p>A well-developed policy and procedures system facilitates the performance of accounting and administrative functions. The Business Manager's role as a member of the management team can be accomplished more effectively in an environment where policy and procedures are well defined, documented and accessible. Such documentation is extremely useful in the preparation of reports in which relevance, uniformity, and continuity are important. The value of effective documentation is not limited to accounting operations. It benefits the entire organization if it is effectively communicated and followed.</p> <p>a. We recommend the Trumbull Board of Education undertake a detailed review of its existing policies and procedures as they relate to budget preparation, financial reporting, procurement, budget transfers and computer use. While the Board does conduct such reviews as the need arises, we would recommend a periodic review be scheduled at least once annually, preferably at the end of or beginning of each fiscal year.</p>	<p><u>Policies & Procedures (Trumbull Public Schools)</u></p> <p>a. Trumbull Public Schools presently has a voluntary Policy Advisory Committee which recommends new policies and policy revisions to the full Board of Education periodically. As a result of this report, it has been determined that Board Policies that relate to Fiscal, Procurement and Budgetary matters should be expanded and reviewed at least annually.</p>	<p><u>Policies & Procedures (Internal Auditor)</u></p> <p><u>Status:</u> Not implemented (exception 1.d. below)</p> <p><i>a-c, e&f. From the auditor's perspective, the documentation of existing financial policies and procedures is a worthwhile investment of time. The exercise of putting together information of this type affords administrators the opportunity to review current practices and identify opportunities for strengthened controls. Audits are greatly facilitated by the easy identification of existing control procedures through the availability of an up-to-date financial policies and procedures manual. Well documented policies and procedures are also extremely helpful in the training of new personnel. Most importantly, documentation of policies & procedures ensures greater integrity of financial information by</i></p>
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	<p>b. We recommend the Superintendent and Business Manager be assigned responsibility for compliance with all Board approved policies and procedures related to financial operations, as called for in Section 6 E(b) of the Trumbull Town Charter.</p>	<p>b. As stated in the Town Charter, Section 6 E(b):</p> <p><i>Payments by the Board of Education shall be made only upon signed authorization of both the Superintendent and the Business Manager. The Business Manager shall examine all payrolls, bills, and other claims and demands against Board of Education, and shall issue no authorization for the payment unless he/she finds that the claim is in proper form, correctly computed, and duly certified that it is justly and legally due and payable, that an appropriation has been made therefore which has not been exhausted, or that the payment has been otherwise legally authorized and there is money in the Town treasury to make the payment. He/she may require any claimant to make oath as to the validity of his/her claim. He/she may investigate any claim and if he/she finds that the claim is fraudulent, erroneous, or otherwise invalid, he/she shall not issue a warrant therefor.</i></p>	<p><i>integrity of financial information by providing a uniform approach to financial activities.</i></p> <p><i>This being said, assembling comprehensive policies and procedures is a time-consuming endeavor. In the context of all of the other higher priority financial and operational activities that are necessary for smooth day-to-day operations within Trumbull Public Schools (hereafter referred to as TPS), undertaking this task comprehensively may be unreasonable.</i></p> <p><i>It is my recommendation that administrators take the time to identify key functional areas that would benefit from analysis and documentation. A workplan should be put in place to develop written procedures for one functional area at a time, perhaps quarterly. All proposed policies and procedures should be reviewed and approved by the Board of Education.</i></p> <p><i>Even a small investment of time spent on this endeavor will have long-term benefits for TPS.</i></p>
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		The Board of Education presently follows these guidelines to the best of its ability. While clerical functions may be performed by other staff members, the administration is aware that approval of all disbursements is ultimately the responsibility of the Superintendent and Business Administrator of Trumbull Public Schools.	
c.	When the TPS Board establishes a policy and procedure related to procurement, it should clearly outline how it will comply with the Town Charter and CGS. At present, it is unclear as to when and which type of planned expenditures should be bid competitively through the Town Purchasing Agent.	c. Trumbull Public Schools does have a procurement policy in place (Attachment A). All purchases over \$10,000 are required to go to formal bid and the Town's Purchasing Agent facilitates that process.	<i>See above recommendation.</i>
d.	We recommend the Board of Education review each of its existing relationships and arrangements with its professional service firms. We believe the Board would be best served by having professional service agreements, in writing, with any firm being retained. Such agreements should indicate specifically the type of services to be provided, the staffing to be assigned, and the	d. Trumbull Public Schools administrators agree with this recommendation and are in the process of reviewing professional service arrangements and written agreements to identify opportunities to improve controls in this area.	<u>Status:</u> In process of implementing <i>d. On the subject of professional services contracts, I have briefly reviewed the available information regarding the recent contract award for Facilities Management Services. This included a review</i>

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	<p>fee arrangements and any related terms and conditions. All such existing agreements should be reviewed annually by the Board.</p>	<p>The committee to review the facilities management proposals has met and acted on the appointment in public session the minutes of which are available for review on our web site. The committees for legal services will meet after the current round of negotiations is complete.</p>	<p><i>of the minutes for the March 16, 2006 meeting of the Sub-committee for Facilities Management Services Request for Qualifications (RFQ) and the subsequent Board of Education meeting on March 28, 2006. In addition, I have spoken with the Town's Purchasing Agent and the Chairman of the Board of Education regarding this process.</i></p> <p><i>While certainly well-intended, the results of this first endeavor with respect to Facilities Management Services are as follows:</i></p> <ol style="list-style-type: none"> <i>1. Twenty (20) inquiries were received;</i> <i>2. Only two (2) RFQ's were submitted;</i> <i>3. Both RFQ's were rejected by the Board of Education;</i> <i>4. The Board of Education voted to direct the Superintendent or his designee to engage in new contract negotiations with AFB Construction Management of Trumbull, Inc.(AFB), which is the current provider of Facilities Management Services.</i>
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			<p><i>As was pointed out in RSM McGladrey's report (see finding #2, Procurement), it is very important to avoid the appearance of favoritism in what should be a competitive process.</i></p> <p><i>It is my opinion that the Town's Director of Finance and Purchasing Agent should be involved to a much greater degree in providing guidelines for the development of specifications or criteria for the procurement of professional services. Further, a copy of all professional service contracts should be furnished to the Town's Director of Finance as Purchasing Authority for the Town.</i></p> <p><i>NOTE: A review of all major professional service contracts at TPS and the Town is included in the new audit plan for fiscal year 2006-2007.</i></p>
	<p>e. TPS should develop a "quick reference" user manual outlining how to utilize the MUNIS financial system by each functional area. The manual should be revised as new</p>	<p>e. Trumbull Public Schools is not adequately staffed to prepare comprehensive MUNIS manuals by functional</p>	<p><u>Status:</u> Not implemented</p> <p><i>See first recommendation.</i></p>

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	software versions are installed.	area. Users of the financial package utilize documentation provided by MUNIS and have had on-site training.	
f.	<p>The Board should adopt a comprehensive computer use manual which details appropriate and non-appropriate use of the Board's computers. This manual should also be reviewed periodically as technology revisions, upgrades, and as other issues occur. The policy should include the following sections:</p> <ul style="list-style-type: none"> • A brief summary of the Computer Use Policy. i. e, – Computer equipment is the ownership of the TPS and the information is not private; Documents are subject to the Freedom of Information • Purpose of the policy – to promote the effective and responsible use of the TPS computer resources. • Definitions of terms and words – i. e, CD, DVD, Computer Virus, File, Network Password, User • Use of Computers and computerized information • Legal status of electronic data • Acceptable use regulation • No privacy expectation for computer 	f. Trumbull Public Schools has an Internet and Computer Usage Policy in place (see Attachment B).	<p><u>Status:</u> Not implemented</p> <p><i>See first recommendation.</i></p>

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	<p>files</p> <ul style="list-style-type: none"> • Use and care of equipment • Operation guidelines • Passwords • Penalties for violations. 		
2.	<p><u>Procurement (RSM McGladrey)</u></p> <p>Procurement policies and practices should promote maximum value and economy through a competitive process. Vendors and service providers should be selected using clearly documented processes that eliminate opportunities for favoritism or the "appearance" of favoritism.</p> <p>a. We recommend the Board review its current procurement practices and determine how it will work to comply with the Town Charter requirements relative to competitive bidding. The purpose of such review would be to establish greater clarity and definition.</p>	<p><u>Procurement (Trumbull Public Schools)</u></p> <p>a. While Trumbull Public Schools relies on State Statutes for its discretionary authority, fiscal prudence dictates that proper Town procedures for all significant purchases be followed. As per the existing Procurement Policy, all procurement requiring the formal bid process is coordinated with the Purchasing Department of the Town.</p>	<p><u>Procurement (Internal Auditor)</u></p> <p><u>Status:</u> Not implemented</p> <p>a. <i>It is my suggestion that an even greater involvement by the Town's Purchasing Department might result in further cost savings for TPS. Analysis of the various commodities purchased throughout the District's fiscal year by the Town's Purchasing Department might lead to the identification of opportunities for future cost savings through the competitive bidding process.</i></p>
	<p>b. The Board should establish a policy and procedure determining the process to be used for selection of professional services (as</p>	<p>b. Committees have been established by the Board of Education to</p>	<p>b. See recommendation 1.d. above.</p>

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	discussed further above and in Section 6 below).	undertake the Request for Qualifications process for the following services: Certified Staff Labor Attorney, Non-Certified Staff Labor Attorney and General Litigation Attorney, Special Education Attorney, Plant Project Consultant, MUNIS Accounting System.	
c.	<p>We recommend that the TPS implement the requisition functionality with the MUNIS Purchase Order application.</p> <p>Using the requisition functionality provides the following benefits:</p> <ol style="list-style-type: none"> 1. When a requisition is created the amount is allocated against the account's budgeted amount and is included in the Year-to-Date Budget report; 2. Utilizing the requisitions application, will require the principal/designee to electronically approval, which will assign responsibility and accountability. 	<p>c. For all intents and purposes, the process currently utilized by TPS is more time efficient than implementing the full requisition phase of the MUNIS system. The initial "draft" purchase order is generated at the departmental level, then validated at the Central Office. If approved, the purchase order is released to the vendor and to the issuing department by Central Office staff.</p> <p>Supply purchase orders that can be combined are entered</p>	<p><u>Status:</u> Not implemented</p> <p><i>c. Online requisitioning offers an excellent opportunity to control the level of access departments have to vendors and with the general ledger software. This additional step allows administrators to receive purchase requests (requisitions) electronically and perhaps combine them to reduce the number of outstanding purchase orders and take advantage of economies of scale. Current processes at TPS do not include this step, but this revision should be considered in conjunction with any software</i></p>

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	Under the current policy, purchase orders are created at the department level and routed to the Assistant Business Manager for approval. However, the Assistant Business Manager is also responsible for the entire transportation (busing) needs for the District. This task is very time consuming and in many communities there is a person whose sole responsibility is to manage the transportation operations. Therefore, we recommend that the Business Administrator or his designee should also have the authority to approve requisitions.	into the "June Box" system, and are then sent to approved single vendors for drop shipment to each school as required. Textbook purchase orders are combined in the curriculum department and are delivered to each school in accord with student population.	<i>upgrades of the MUNIS application. Online requisitioning should also include the use of commodity codes for items procured to facilitate future spending analyses.</i>
d.	We believe that TPS should prepare an RFP to bid its health benefit insurance and provide sufficient time in the process for the Board to consider all alternatives, including premium based as well as self funding their plan.	d. Trumbull Public Schools does routinely bid its employee healthcare plans. This year's bid process resulted in a \$900,000 savings to the District for fiscal year ended 2006 and \$451,128 for fiscal year ended 2007. It should be noted that the employee premium share is also reduced accordingly.	<u>Status:</u> Implemented <i>d. TPS appears to routinely bid its health insurance.</i>
3.	<u>Financial Reporting (RSM McGladrey)</u> In order to improve communication issues experienced during recent budget sessions involving the Town Council and the Board,	<u>Financial Reporting (Trumbull Public Schools)</u> Regarding the utilization of Crystal Reports and the	<u>Financial Reporting (Internal Auditor)</u> <u>Status:</u> Not implemented

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	<p>we have prepared the following recommendations:</p> <p>We recommend that the Business Administrator give serious consideration to utilizing Crystal Reports. We believe this can significantly reduce the amount of time required to generate the monthly report for each fund or a range of funds.</p> <p>There are number of Crystal Reports samples that are available on the MUNIS Website. These reports can be incorporated and changed to meet TPS's requirements regarding formatting, data fields, etc at no additional cost to the District.</p>	<p>MUNIS system, the School Business Administrator feels that the documentation and user support for Crystal Reports is insufficient for his purposes. In MUNIS, he is able to send data to a file which can then be opened in Microsoft Excel, a commonly used spreadsheet application which has considerable reporting flexibility.</p>	<p><i>From the perspective of the Internal Auditor, internal controls are compromised whenever information is culled from a "source" application software (MUNIS) into another application (Crystal Reports and/or Microsoft Excel) where the user has editorial control over form and content of the information presented. Unfortunately, due to the poor reporting capabilities of the MUNIS application in its current configuration, this process is necessary for effective communication of financial information.</i></p> <p><i>It is my recommendation that source information from MUNIS be provided wherever possible as backup for the summary information provided in periodic reports to the Board of Education and the Town. This compensating control step will provide reasonable assurance to the users of this information as to the completeness and accuracy of the information contained within these summary reports.</i></p> <p><i>I would further recommend that the</i></p>
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			<i>Town's Director of Finance and the new TPS Business Administrator meet at least quarterly to discuss detailed financial activity at TPS.</i>
4.	<p><u>Budget Preparation, Amendments and Transfers (RSM McGladrey)</u></p> <p>The TPS initiates its budget process in early October and submits it to the First Selectman in January. During those three months, it meets internally with school principals and other supervisory personnel and then meets with its Board holding budget hearings throughout December in order to obtain public input and to make any adjustments before submission to the Town. After the First Selectman reviews the budget, it is submitted to the Board of Finance in February and the Town Council in March and is finally approved by the Town Council by April 30.</p> <p>The process is enormously time consuming and has occasionally produced rigorous debate and discussion. We believe the process can be improved significantly with implementation of the following recommendations:</p> <p>a. We recommend that prior to initiating its budget process, the Superintendent, Business</p>	<p><u>Budget Preparation, Amendments and Transfers (Trumbull Public Schools)</u></p> <p>a. This October, TPS administrators met with Town officials to discuss pre-budget strategies and establish financial guidelines and constraints.</p>	<p><u>Status: Implemented</u></p>

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	<p>Administrator, and TPS Board President meet with the First Selectman, Town Finance Director and President of the Town Council to discuss the financial condition of the Town, review the prior year financial result of operations and discuss any broad based policy initiatives that may be important to the next budget process. While there need not be consensus on broad policy initiatives to be achieved during this meeting, it will provide an opportunity to enhance and improve mutual understanding of issues fundamental to all parties i.e. financial condition of the Town, new state or federal requirements.</p>		
b.	<p>The budget format utilized by the TPS Business Administrator was completely reengineered after his arrival in 2002 and many new budget presentation and control procedures were put in place. His many changes were directed at presenting the budget on a cost center basis. He has adopted a continuous improvement strategy aimed at enhancing the budget format.</p> <p>We recommend that whenever subsequent changes are made to the format, that they be explained in a study session with the First Selectman, Board of Finance and Town Council before the budget is forwarded by the TPS Board. This process should be</p>	<p>b. The budget presentation changes that were implemented in my first year as Business Administrator were submitted to TPS Administration, the Board of Education, selected Board of Finance members, and the then Finance Director. I do not make decisions of this magnitude in a vacuum.</p>	<p><u>Status:</u> Implemented</p>

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	designed to educate, explain and answer questions, in an informal setting, aimed at making the process more professional and respectful of each other's respective views and concerns.		
c.	<p>Budget Transfer Authority forms were developed by the Business Administrator to document the transfer activity which takes place throughout the year. The Board adopted a Budget Transfer Policy to be approved by the Business Administrator and a "Budget Transfer Subcommittee." However, in FY 2004-2005, their Budget Transfer Committee had not yet met.</p> <p>We recommend that the Board commence monthly meetings of its Transfer Committee and that TPS follows its approved policy immediately and throughout the fiscal year by having this Committee review and recommend the transfers to be approved.</p>	c. The Budget Transfer Subcommittee of the Board of Education meets on an "as needed" schedule (Budget Transfer Policy is included as Attachment C).	<p><u>Status:</u> Not implemented</p> <p><i>The Budget Transfer Subcommittee does not meet monthly, but only on an "as needed" basis.</i></p>
e.	We recommend the full Board formally approve all transfers once they are reviewed and forwarded by its Transfer Subcommittee.	e. Transfers that meet the reporting criteria have always been presented to and	<p><u>Status:</u> Implemented</p> <p><i>While this subcommittee does not</i></p>

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	Such transfer approvals should be approved at each month's meeting.	approved by the Board of Education in public session.	<i>meet monthly, the Board of Education does approve budget transfer per TPS policy (see Budget Transfer Policy – Attachment A)</i>
5.	<p><u>Medical Fringe Benefits (RSM McGladrey)</u></p> <p>According to a recent survey conducted in 2004 by the Institute of Management and Administration ("IOMA"), over 70% of all companies now target health care costs as their key focus for the next 12 months¹. While we recognize that the TPS initiated an RFP process this past spring that resulted in a smaller premium rate increase than originally presented, there may well be additional opportunities to contain costs in this area.</p> <p>a. As indicated in Table 1 (<i>see Attachment A, page 14</i>), employers are increasingly relying on employee cost sharing to control benefits costs. Employers, both large and small, are using this approach. We recommend the Board develop a labor negotiation strategy with each of its bargaining units to increase cost sharing by its employees as well as looking at opportunities in the area of increased co-pays, deductibles and lifetime</p>	<p><u>Medical Fringe Benefits (Trumbull Public Schools)</u></p> <p>a. Increased cost-sharing and plan modifications have always been a part of the negotiating practice of the Board of Education during the collective bargaining process for all employee unions.</p>	<p><u>Medical Fringe Benefits (Internal Auditor)</u></p> <p><u>Status:</u> Implemented</p>

¹ IOMA's Complete Guide to Cost Control Best Practices (2004)

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	benefit limits. See Table 1 below (<i>see Attachment A, page 14</i>).		
b.	We recommend the Board consider development of a formal RFP process that is coordinated by the Town Purchasing Agent in the summer months, in advance of the initiation of its budget process. This will allow sufficient time for the Board Insurance Consultant to preview and evaluate responses. We would suggest that the Town determine if the RFP should include an alternative that includes the Town's employees as well.	b. The employee healthcare plan was competitively bid in early 2005 for a proposed effective date of July 1, 2005. All capable health plan vendors were solicited. Proposals and offerings were evaluated; HealthNet, Anthem and Cigna were identified as finalists. After considerable negotiations, HealthNet was selected as the lowest qualified bidder.	<p><u>Status:</u> Implemented (in part)</p> <p><i>b. TPS did competitively bid its health insurance, utilizing the services of an outside consultant, Stephen J. Rinaldi. Utilizing the expertise of an outside consultant is sensible, given the fact that there are many sophisticated technical points to be considered in this bid analysis. It is my recommendation that future insurance bids include the Town Purchasing Agent in an advisory capacity.</i></p>
c.	We recommend the TPS Board evaluate the need and cost of continuing to utilize a "Broker of Record" to negotiate its medical health benefits arrangements.	c. The broker's commission is paid by HealthNet, which is a customary practice in the insurance industry. The School Business Administrator believes that a relationship of this kind is necessary with a group as large as TPS. The current broker has successfully negotiated	<p><u>Status:</u> Not implemented</p> <p><i>c. See "b." above.</i></p>

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		favorable terms since TPS moved to a fully insured basis. There was no fee in connection with the solicitation of bids, which is a customary service provided by the agent of record.	
	<p>d. Because TPS does not validate dependent eligibility for enrollment in its medical plan, we recommend it initiate the following program during its next open enrollment:</p> <ol style="list-style-type: none"> (1) Communicate with all TPS employees prior to the next enrollment period that documentation criteria will be required to be met in order to re-enroll for employee medical benefit coverage during the next period i.e. marriage certificates; birth certificates; legal support documents. (2) Develop procedures and data collection forms to be used during re-enrollment sessions. (3) Obtain an electronic database of relevant employees with dependent and current coverage listed. This would serve as the control document during the re-enrollment sessions. 	<p>d. TPS administrators recently conducted a comprehensive analysis of the enrolled population to ensure that all employees and dependents were in fact eligible for coverage. The audit revealed one dependent that had exceeded the limiting age and one dependent who should have been enrolled but was not. The net result was \$0. Dependent eligibility verification procedures have also been put into place for all new hires effective 1/1/2005.</p>	<p><u>Status:</u> Implemented</p> <p><i>d. This issue appears to be adequately addressed.</i></p>

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	<p>(4) Once the re-enrollment sessions are complete, assign staff to review employee re-enrollment applications and documentation supporting spouse and dependent coverages.</p> <p>(5) Once this revised (new) information is submitted to HealthNet, review the benefit listing once more to ensure any revised information has been input correctly.</p>		
	<p>e. Periodically, conduct a reconciliation of the existing medical benefits database from HealthNet to the active employee payroll file to ensure premiums are not being paid for ineligible personnel.</p>	<p>e. See "f" below.</p>	<p><u>Status:</u> Implemented</p>
	<p>f. Discrepancies resulting from the reconciliation should be resolved immediately with HealthNet and documented in TPS files.</p>	<p>f. Monthly bills from our medical & dental insurance providers are reconciled to the current employee population through payroll records. Dependent children that reach the respective age thresholds are eliminated from coverage by the carrier.</p>	<p><u>Status:</u> Implemented</p>

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		Any other discrepancies that may occur are acted upon immediately.	
	g. TPS should explore the feasibility of implementing a Human Resources System capable of recording all payroll and benefit information. This would enhance the capability of TPS to conduct periodic reconciliations and to update and maintain its files.	g. Utilization of an enhanced Human Resource software package would require the addition of support staff. The system currently employed (through MUNIS) by the Personnel Department is adequate to the task, and we do not believe that this recommended change would result in a favorable cost-benefit.	<u>Status:</u> Not implemented

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6.	<p><u>System Utilization (RSM McGladrey)</u></p> <p>a. Based on our conversations with MUNIS Support, the Budget functionality does allow for budgets for each fund to be created and approved separately for the same fiscal or different periods. Therefore, the TPS should review the Budget creation process and develop a process to utilize the multiple fund budget creation functionality for all funds.</p> <p>This training, testing and documentation could be tested utilizing the MUNIS training database.</p>	<p><u>System Utilization (Trumbull Public Schools)</u></p> <p>a. & b. We have repeatedly been told by MUNIS support that all funds must be closed concurrently to roll to the next fiscal year. The current generally accepted practice for municipal budgeting is a comparison of original appropriation to requested appropriation. The prior year actual does include any</p>	<p><u>System Utilization (Internal Auditor)</u></p> <p><u>Status:</u> Not implemented</p> <p><i>Effective July 1, 2006, there will be a change in School Business Administrator. I believe that it is best to allow the new TPS employee an opportunity to determine what his/her needs might be relative to the utilization of the current financial system and detailed financial reporting. This</i></p>
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	<p>b. We recommend that a detailed analysis of the budget be presented to the Board of Finance and Finance Committee of the Town Council. This would enable them to review, analyze, and ask questions of the TPS management related to the parameters that developed the budget. We recommend the TPS consider modification of its budget to include the following:</p> <ul style="list-style-type: none"> • The current year budget should disclose any additional appropriations, and any inter-cost center transfers • By Object – Currently provided in Section 3 • By Cost Center - Currently provided in Section 4 <ul style="list-style-type: none"> ○ Budget by Department/school/object with the following allocations: <ul style="list-style-type: none"> ▪ Special Education ▪ Schools – Elementary/Middle and High School - with the following allocations <ul style="list-style-type: none"> • Allocation of Administrator's Disability Insurance • Allocation of Life Insurance • Allocation of Unemployment Compensation • Allocation of Health benefits based personnel at each school 	<p>actual does include any supplemental appropriations. To allocate fringe benefits to cost centers in an environment where fringe benefits has always been its own cost center would be unproductive, and confusing at best. Crystal Reports is, in my view, a waste of time and resources when the data can be exported to Microsoft Excel which is more widely understood and user friendly.</p>	<p><i>detailed financial reporting. This recommendation should be revisited at a later date.</i></p> <p><i>It is my opinion that the Town and Board of Education should strategically consider some level of integration between financial systems, given that MUNIS financial software is utilized in both locations.</i></p>
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7.	<u>Governance (RSM McGladrey)</u>	<u>Governance (Trumbull Public Schools)</u>	<u>Governance (Internal Auditor)</u>
	<p>At present, it is our understanding the TPS Board operates primarily as a full Board, without committees except for Policy Reviews and Budget Transfers. We believe the internal control structure can be enhanced with formation of a Finance Committee, to consist of two members chosen by the full Board, annually. The Finance Committee duties would consist of meeting with the Business Administrator before each full Board Meeting for the primary purpose of reviewing the financial reports to be submitted that month. This committee would be charged with providing advice and counsel to the Business Administrator relative to all financial activity included in the Business Administrator's monthly report and could be utilized to assume duties currently assigned to the Transfer Subcommittee. Together with the Business Administrator, such financial reports would be presented to the full Board for approval with such approval being documented in the minutes.</p> <p>We believe this would institute greater financial involvement by the Board of Education and provide additional oversight over financial management of the Business Office.</p>	<p>The budget transfer committee includes three Board members Lisa Labella, and Donna Cassidy who also serve with Steve Wright (Board Chair) as the financial review committee. The transfer committee takes and records minutes with the Town Clerk and their recommendations are acted upon in public session by the Board of Education. The financial review committee meets at year end to finalize the year end results and to review prior year's outstanding purchase orders. It's results are presented in public session along with the final year end financial report.</p>	<p><u>Status:</u> Not implemented</p> <p><i>I agree that a Finance Committee that meets regularly to review financial reports would strengthen financial controls at TPS. I further recommend that financial reports in support of transactions approved by the Board of Education be included with the monthly minutes.</i></p>